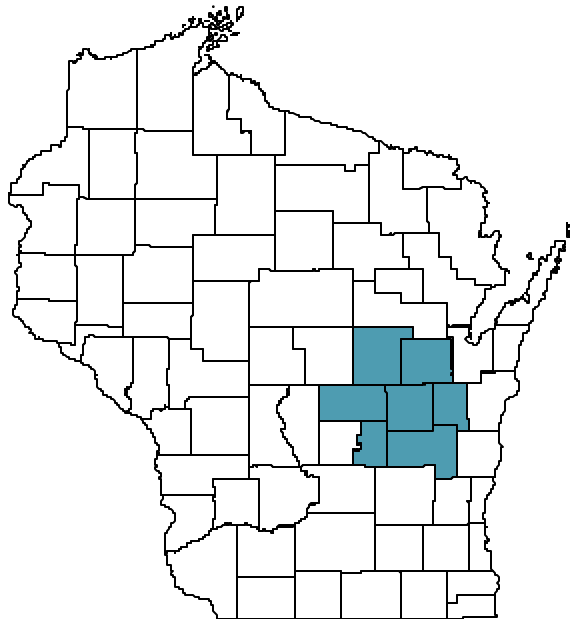


Workforce Development Area Profile

Fox Valley Area

Calumet, Fond du Lac, Green Lake, Outagamie, Waupaca, Waushara, and Winnebago Counties



The labor market is a constant ebb and flow of supply and demand. Too little demand for workers creates too much supply and unemployment increases. But too little supply of workers means job vacancies and lack of employment growth.

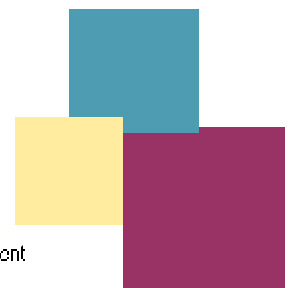
Every Workforce Development Area in the state should anticipate a tight labor supply condition by the end of the next decade. Planners in each area must understand the unique set of employment characteristics in their region to develop a strategy to meet a future where demand will exceed supply.

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State of Wisconsin
Department of Workforce Development

January 2003



- The Demand for Workers -

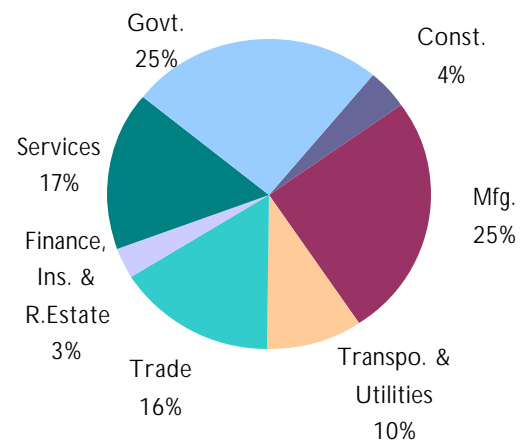
Fox Valley WDA Employment

Although manufacturing occupies a smaller portion of the job pie now than it did even ten years ago, it did experience growth during the 1990's, but at a lesser rate than other industries. Much of the job growth that occurred during the last decade has been lost during the economic downturn experienced since 2000. Manufacturing has lost more jobs than any other industry sector in the Fox Valley WDA.

Even though manufacturing's growth rate was lower than many of the other industry sectors, it is the largest employment sector along with government with 25 percent of the jobs in the area.

The high percent in government employment includes prisons in the area as well as tribal employees on reservations, even if they are employees at a casino, hotel or restaurant. Employment under SIC is broken out by ownership. This will be changed under the new NAICS where government employment is only 13 percent as employment is based on output instead of ownership,

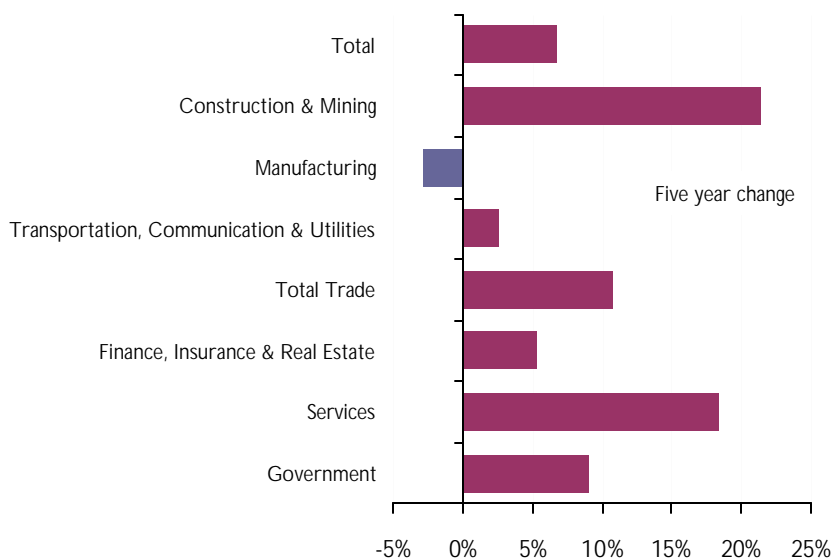
Fox Valley WDA Industry Distribution: 2001



Source: WI DWD, Nonfarm wage and salary estimates, revised March 2002

moving casinos and hotels to the leisure and hospitality industry instead.

**Fox Valley Workforce Development Area
Employment Change by Industry Division: 1996 to 2001**



Source: WI DWD, Nonfarm wage and salary estimates, revised March 2002

It is important to note that the transportation and utilities sector has a high percentage of the local jobs. This industry group generally pays wages that are slightly above the overall average wage of all industry, and in this manner contributes to the well being of the local economy. On a national basis, this industry sector usually provides just over five percent of the nation's jobs. In the Fox Valley Area, the percent of jobs in this sector is nearly double the national average.

Construction is another industry group that provides high wages for its workers. Beyond high wages, a healthy construction industry is indicative of a growing economic base, not only providing jobs, but the ability to increase the area's infrastructure, remodel and construct new facilities for business expansion. The percent of jobs in this sector is very close to the national average.

	SIC	SIC divisions	NAICS* sectors	NAICS*
Agriculture, Forestry, and Fishing		01-09	11	Agriculture, Forestry, Fishing & Hunting
Mining		10-14	21	Mining
Construction		5-17	22	Utilities
Manufacturing		20-39	23	Construction
Transportation, Communication, and Utilities		40-49	31-33	Manufacturing
Wholesale Trade		50-51	42	Wholesale trade
Retail Trade		52-59	44-45	Retail trade
Finance, Insurance, and Real Estate		60-67	48-49	Transportation & Warehousing
Services		70-89	51	Information
Public Administration		91-97	52	Finance & Insurance
			53	Real Estate, Rental & Leasing
			54	Professional, Scientific & Technical Services
			55	Management of Companies & Enterprises
			56	Admin. Support, Waste Mgmt. & Remediation Service
			61	Education services
			62	Health care & Social assistance
			71	Arts, Entertainment & Recreation
			72	Accommodation & Food Services
			81	Other services (except Public Administration)
			92	Public Administration

*North American Industry Classification System

What is NAICS and how is it different?

When the first industry data is released for January data in March of 2003, the new data will be based on NAICS rather than SIC. Most labor market users are quite familiar with SIC (Standard Industrial Classification) system. The SIC system was developed in the 1930's as a measure of the nation's economy. The system has been revised nearly every ten years since that time, but it is still closely tied to manufacturing industries, as manufacturing represented nearly 50 percent of the economy at that time. The old SIC system not only emphasized manufacturing, but was also based on ownership of the business, rather than its output. If a manufacturer owned a store, it might be included with manufacturing employment rather than retail sales.

The nation's economic base has changed from manufacturing to service based. Currently less than 14 percent of the nation's workers in nonfarm wage and salary employment are working for a business involved in the manufacturing process. About 25 percent of the workers in the Wisconsin Fox Valley Area are employed in the manufacturing sector, almost double the nation.

This leaves a system that has its emphasis on only one fourth of its workers in the Fox Valley, and less than one seventh of the nation's workers. The system does not provide sufficient detail for the now dominant services

sector. Newly developed industries such as information services, health care delivery and even high-tech manufacturing can not be adequately analyzed under the SIC system due to lack of detail of a separate breakout at the industry level.

With the beginning of the North Atlantic Free Trade Association (NADTA) treaty, The United States, Canada, and Mexico began a collaborative effort to develop an industrial classification system that would provide a common framework to measure industry data for all three countries. The new system established the following principles for the development of NAICS.

1. NAICS is based upon a production oriented framework
2. The system gives special attention to developing production oriented classifications for (a) new and emerging industries, (b) service industries in general, and (c) industries engaged in the production of advance technologies.
3. Time series continuity will be maintained to the extent possible.
4. The system will strive for compatibility with the 2-digit level of international Standard Classification of All Economic Activities of the United Nations.

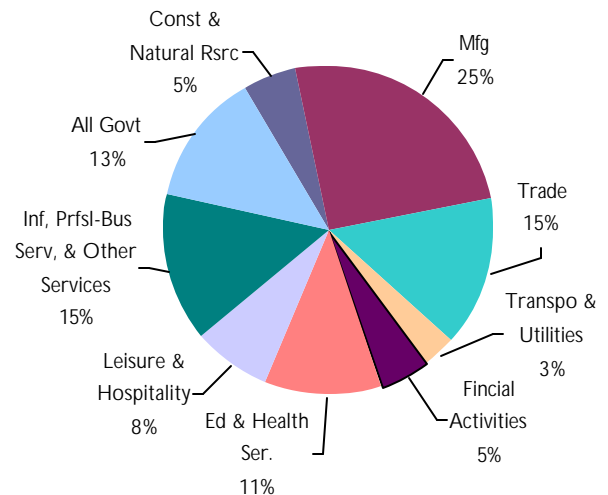
Although the graph on the right indicates that 25 percent of the jobs in the Fox Valley WDA are in the manufacturing sector, this is not necessarily true for each of the counties within the WDA. The population demographics in the WDA varies from highly urbanized areas such as the Appleton-Oshkosh MSA, to rural counties such as Waushara and other counties that have a mix of rural and urban populations.

With the exception of Waushara County, which has the lowest percentage of manufacturing of the seven counties in the Fox Valley WDA at just under twelve percent, the remaining counties have a higher percentage of jobs in manufacturing than the State of Wisconsin which has just under 20 percent. The counties range from 21.5 percent in Green Lake to a high of 28.3 percent in Waupaca. Even though these counties have a high percentage of jobs in the manufacturing sector, the types of industries and skills needed for these jobs vary. In the Appleton-Oshkosh MSA, which includes Winnebago, Outagamie, and Calumet Counties, there is a high percent of manufacturing in the non durable goods industry. About 60 percent of their manufacturing is non durable goods. This is due to a high concentration of paper products manufacturers in the area. These companies have had a long presence in the early development of the area going back to the late 1800's. They developed as pulp and water were plentiful. The industry provides good wages and benefits.

While the paper industry is still strong in the area and is a major influence on the economy, it has gone through many mergers and consolidations in the last decade. Pulp prices, over capacity, and foreign competition as well environmental regulations have had an impact on the growth in this industry. While the industry is not expected to decline a great deal in the short term, it most likely will no longer be expanding employment in the region.

It is very difficult to discuss the Fox Valley WDA without most of the discussion centering around the Appleton-Oshkosh MSA. The Fox Cities make up over 70 percent of the jobs in the Workforce Delivery Area with over 208,000 of the region's 293,000 jobs. With the largest number of jobs and population in the Fox Cities, changes there affect the entire region. Even though the Fox Cities in some ways drives the economy of the region, its economy is also different in several ways. The amount of opportunities in retail and business services is much higher in the Fox Cities, as these businesses not only

Fox Valley WDA NAICS Industry Distribution: 2002



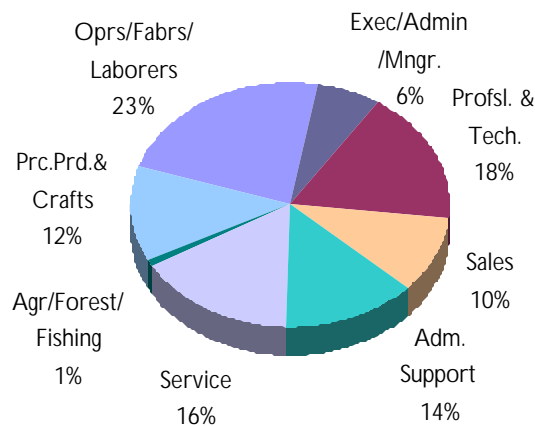
Source: DWD, Labor Market Information Section, ES-202, Jan. 2003

serve the immediate area, but also reach out beyond the local boundaries. The "cities" also have a high percentage of their manufacturing in the paper industry. Over 60 percent of the manufacturing in the "cities" is in non-durable goods manufacturing of which paper manufacturing is a part of.

The remaining four counties in the Fox Valley WDA have less reliance on the paper industry, as durable goods manufacturing is the dominant sector in the manufacturing industry. The trade industry makes up about 15 percent of the jobs in the region. This is fairly evenly distributed throughout the region as a percentage of each counties jobs, however, the nature of trade varies between the counties. In the Appleton-Oshkosh MSA retail trade is influenced heavily by large shopping areas. While other counties may have shopping malls, much of the trade is in smaller businesses and often is related to the tourism industry.

Although not listed specifically as an industry in the WDA, since it is actually part of several different industry groups is tourism. This industry plays an important role in most of the counties in the WDA. During 2001, there was over \$884 million dollars expended in the 7 county region providing the equivalent of over 33,000 full time positions. Just over 60 percent of those dollars were spent in the three county MSA with the remaining dollars spent in the remaining four counties. Industries in this sector include recreation related, lodging, food service, and retail trade to name a few.

Fox Valley WDA Occupations in 2008



Each industry in the region's Workforce Development Area is unique for the kinds of occupations employed by that industry. Some, like schools and restaurants, are common in nearly every community and many of the occupations in these industries are generally known to everyone. Any understanding of the occupational needs of an area begins with a good understanding of the industries and the occupations that are employed by those industries.

The US Bureau of Labor Statistics coordinates an annual survey of businesses to collect information on occupations in each state. The graph on the right is a summary of the occupation distribution in the Wisconsin Fox Valley Area based on the staffing patterns in local industries.

Source: WI DWD, Bureau of Workforce Information, 2001

Occupations with the Largest Number of Annual Openings Due to Growth and Separations						
WDA4-Fox Valley Region: Calumet, Fond du Lac, Green Lake, Outagamie, Waupaca, Winnebago, Waushara						
Occupational Title	1998-2008 Growth	Percent Change	Est. Average Annual Openings		Education and Training Typically Required(3)	
			Growth	Separations(1) Total(2)		
Cashiers	860	14.4%	86	260	346	Short-term on-the-job-training
Waiters & Waitresses	510	10.4%	52	270	322	Short-term on-the-job-training
Retail Salespersons	730	10.1%	73	246	319	Short-term on-the-job-training
Office Clerks, General	810	13.7%	81	163	244	Short-term on-the-job-training
General Mgrs & Top Execs	970	13.7%	97	124	221	Work exp. plus bachelor's or higher dgr.
Food Prep/Service Workers, Fast Food	290	9.0%	29	178	207	Short-term on-the-job-training
Food Preparation Workers	200	7.7%	20	144	164	Short-term on-the-job-training
Helpers/Laborers/Movers, NEC	340	9.5%	35	111	146	Short-term on-the-job-training
Registered Nurses	790	20.6%	79	63	142	Associate degree
Truck Drivers, Heavy	690	14.2%	70	70	140	Postsecondary vocational training
Hand Packers & Packagers	540	16.3%	54	82	136	Short-term on-the-job-training
Nursing Aides/Orderlies/Attendants	770	19.6%	77	55	132	Short-term on-the-job-training
Janitors & Cleaners	310	6.7%	31	100	131	Short-term on-the-job-training
Teachers, Secondary School	470	19.5%	47	77	124	Bachelor's degree
Assemblers & Fabricators, NEC	500	13.3%	49	67	116	Short-term on-the-job-training
Sales Reps, Mfg and Wholesale	310	12.1%	31	63	94	Moderate-term on-the-job training
Admin Support Supervisors	410	17.9%	41	52	93	Work exp. in related occupation
Reception/Information Clks	460	19.2%	46	46	92	Short-term on-the-job-training
Laborers, Landscaping/Groundskeep	420	26.8%	43	47	90	Short-term on-the-job-training
First Line Superv: Production/Operatin	130	4.9%	14	75	89	Work exp. in related occupation
Hand Workers, NEC	280	12.4%	28	61	89	Short-term on-the-job-training
Bartenders	-50	-2.4%	-5	90	85	Short-term on-the-job-training
Marketing/Sales Supervisors	440	14.7%	45	39	84	Work exp. in related occupation
Maintenance Repairers, General Utility	100	3.1%	10	73	83	Long-term on-the-job training
Teachers, Elementary School	250	10.0%	24	58	82	Bachelor's degree

(1) Separations are an estimate of how many job openings there will be in each occupation due to people permanently leaving an occupation. Openings that occur due to people changing employers but remaining in the same occupation are not included.

(2) Total openings are an estimate of how many new entrants are needed in the occupation.

(3) Typically required means this is the most common way people are expected to enter the occupation.

Other notes: Self-employed, unpaid family workers and work-study students are not included. Railroad workers are not included, except in WDAs 7 and 8.

Source: WI DWD, Bureau of Workforce Information, 2001

Some occupations are somewhat specific to an industry, such as nurses to the health care industry, while other occupations are universal across most or all industries, an example of this would be clerical workers which are generally found in most industries.

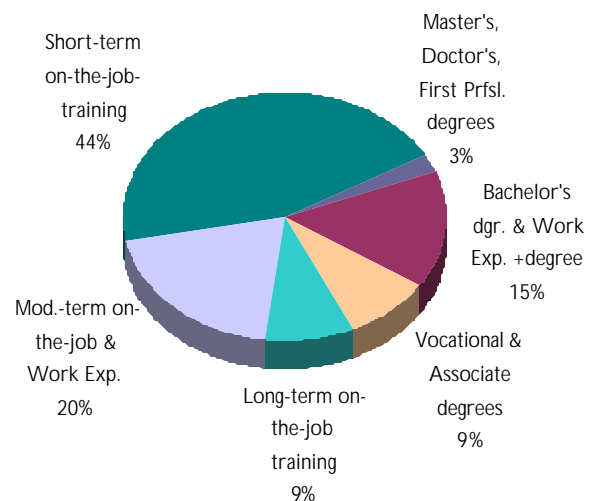
The Fox Valley Area has a slightly higher percentage of jobs in the manufacturing sector than the state or nation. This means that the number of workers doing production related jobs will be higher than both the state and nation. However, growth in this industry has slowed during the last several years. This will lead to higher growth rates in other occupations than the traditional jobs of the past as the area's economy changes.

In the manufacturing industry, paper making probably stands out as being one of the largest and most important in the Fox Cities, but not in the remaining four counties in the area. These non MSA counties have a higher percentage of durable goods manufacturing. One industry outside of the manufacturing sector that is often overlooked in the region is the insurance industry. The Fox Valley Area Bay Area has several large insurance companies such as Thrivent (formerly AAL) that have specific occupational needs. Actually, this is an industry often overlooked in the State of Wisconsin, which ranks sixth in the nation in insurers.

The occupations listed on the previous page reflect the industry blend that is specific to this area. Of the 25 occupations that are expected to have the most annual openings during the next six years, the majority of the occupations do not require an advanced degree. Entry into nearly 80 percent of these occupations can be done through some form of on-the-job training. While the majority of these occupations do not require additional education beyond high school, some formal training may give an individual a competitive edge in obtaining initial employment in any given occupation.

Only 17.6 percent of the annual openings in the Fox Valley WDA are expected to require a bachelor's degree or beyond during the next six years. This includes both new openings as well as openings due to turnover. At the present time this matches the area's population closely as 19 percent of the population aged 25 and over have a bachelors degree or above. This indicates that current employment needs and educational attainment are in balance for advanced degrees. Additional graduates with a bachelor or above degree will find a competitive job market in the area, and may have to take other

Annual Openings in Fox Valley WDA

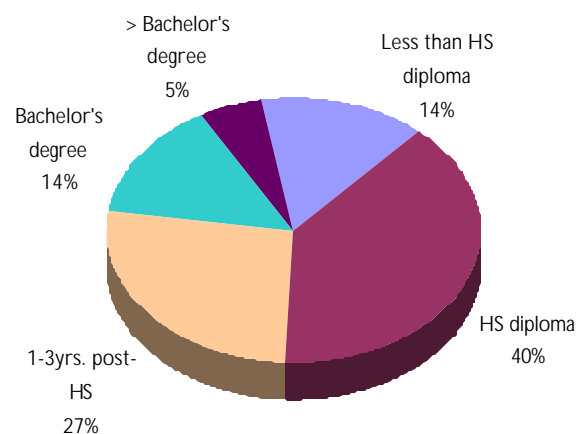


Source: WI DWD, Local Workforce Planning Section, 2001

employment or possibly relocate out of the area.

The 2000 Census indicated that 27 percent of the population has one to three years of post high school education. This includes short term training such as machine tool, nurse aide, associate degree programs, and some that have not completed a four year program. This fits into many of the occupations that list medium to long term on the job training. An example of this would be apprenticeship programs, while the majority of this training is on the job, a segment does include classroom training as a requirement. Most of the jobs will require at least a high school education.

Education Attainment in 2000 in Fox Valley WDA



Source: US Dept. of Commerce, Census Bureau, *Census 2000*

- The Supply of Workers-

Fox Valley WDA Population

The Wisconsin Fox Valley WDA contains just over ten percent of the state's population. Each county while part of the whole, is to some degree a microcosm on its own. The size, make up and growth rate of the population of each county varies from the state. This occurs in large part due to opportunities in employment, location to resources, proximity to transportation links and other variables that affect population growth.

Since the 2000 Census, the population in the Fox Valley WDA has grown at a faster rate than both the nation and the State of Wisconsin. However, this faster growth rate has occurred in only three of the WDA's seven counties. The reason for growth or lack of growth varies in each county. This would include job opportunities, amenities, as well as areas that would qualify as retirement destinations.

It should be noted that a larger percent growth rate does not necessarily equate to a large increase in the actual number of residents. Waushara County, which grew at the fast rate at 6.1 percent only had a population increase of 1,406, while Outagamie County with the largest population had half the growth rate at 2.9 percent, but grew by 4,599 nearly triple the number in Waushara County. If the growth rate of the WDA were calculated excluding the Appleton/Oshkosh MSA

the rate of growth would have been 2.0 percent, lower than the WDA, but above the state and national average. Approximately 70 percent of the population growth occurred in the Fox Cities. The population, like the jobs in the region is clustered primarily in the Fox Cities. Nearly 65 percent of the region's population lives here.

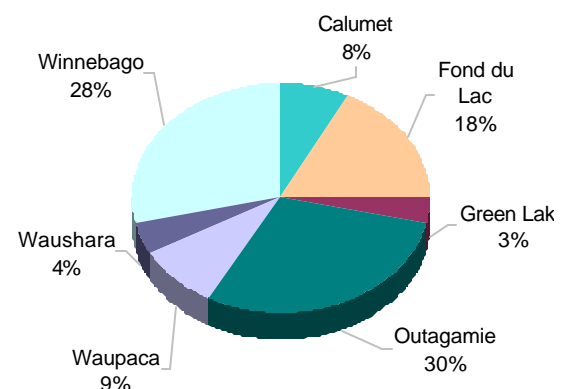
The area's population has become more diversified over the last decade, especially in the last five years. During the 1980's there was a large infusion of immigrants to northeastern Wisconsin. In the Fox Valley WDA the majority of these immigrants were from Southeast Asia and settled primarily in the Fox Cities, with smaller numbers going to other counties within the region. In the 1990's the area received another influx of people moving to the area.

However the largest group that came during the last decade did not come from southeast Asia. In some ways they were more global in their homeland, ranging from South America, Central America and the Philippine Islands. While diverse in their place of origin, most share Spanish as a common language, although there are many differences in their cultures. Other cultures that have come to the area recently include a large number from Eastern Europe.

Total Population

	2000 Census	January 2, 2002 Estimate	Percent change
United States	281,421,906	286,200,000	1.7%
Wisconsin	5,363,675	5,453,896	1.7%
Fox Valley WDA	549,651	562,281	2.3%
Calumet	40,631	42,497	4.6%
Fond du Lac	97,296	98,589	1.3%
Green Lake	19,105	19,282	0.9%
Outagamie	160,971	165,570	2.9%
Waupaca	51,731	52,622	1.7%
Waushara	23,154	24,560	6.1%
Winnebago	156,763	159,161	1.5%

2002 Population Distribution in Fox Valley Wisconsin



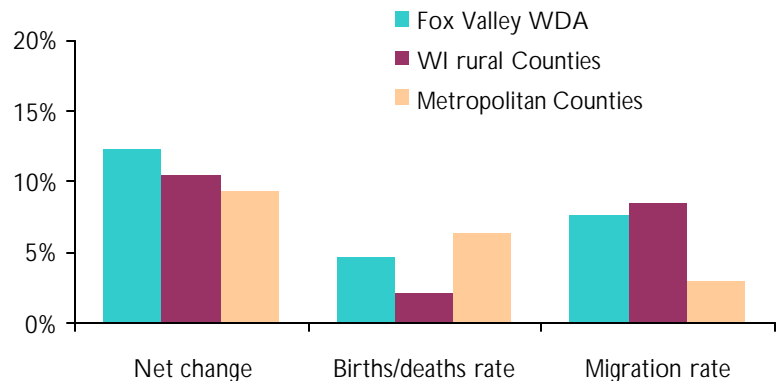
Source: WI Dept. of Admin., Demographic Services, 2002

Population growth in an area is affected by economic opportunities attracting new residents to migrate into the area and by its birth rate, often referred to as demographics. The existing age of the population and culture affects both the birth and death rate of the area. The graph at the right shows the impact of net migration compared to natural increase (births minus death) during the last decade. In the Fox Valley WDA over 62 percent of the population increase came from people moving to the area.

Migration was a greater factor in the population increase in the rural counties of the state as well as those in the Fox Valley where 83 percent of the growth occurred due to migration. This does not necessarily mean that these areas are necessarily migration magnets. Many of the counties in the WDA have an older population with higher death rates, which offsets births in the area. Along with a higher death rate, older population are also past child rearing age creating a lower birth rate. The Appleton/Oshkosh MSA had 46 percent of the population increase from natural increase. The higher percent is due to a slightly younger and faster growing population than the rural counties.

In the 1990's the fastest growing segment of the WDA's population has been in the 40 to 49 and the 50 to 59 year brackets. This is the baby boom generation as it makes its way through the labor force. The larger number entering these age brackets will be looking at retire-

Components of Population Change in Fox Valley WDA Compared with other rural & metropolitan counties



	Total increase 1990-2000	Increase from Births - Deaths	Increase from Migration
Fox Valley WDA	60,307	22,737	37,570
WI rural Counties	162,770	31,627	131,140
Metropolitan Counties	309,136	212,060	97,079

Source: WI Dept. of Administration, Demographic Services, 2001

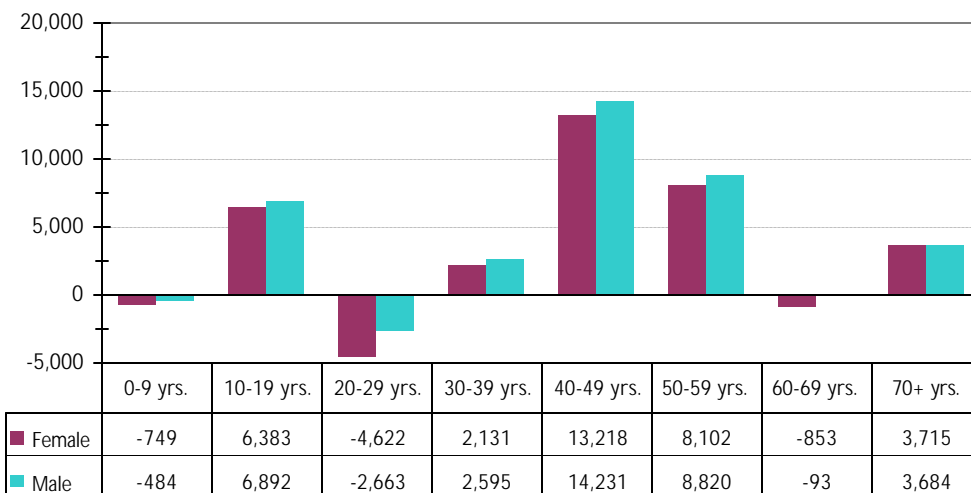
ment during the next ten to twenty years, and will be leaving a void for replacement workers in their wake.

Not only will they be leaving the labor force, but their will be fewer replacements for them in the labor force. This is not just a regional problem, but a problem that is common throughout the United States. In most cases, the rural areas will be harder hit than will metropolitan areas where generally the population is younger and the birth rates are higher. But even the metropolitan areas are looking at a return to a labor shortage in the future

as job expansion begins to outpace population and labor force growth. In most areas, where natural increase and net migration do not provide enough workers, the metropolitan areas look to the rural areas surrounding them for additional workers.

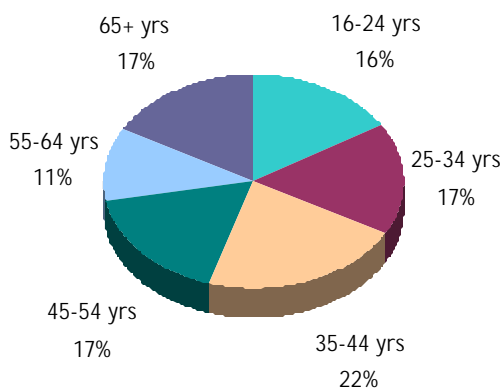
In some cases technology may provide some respite to fill in for a shortage of workers. While new technology may increase productivity and reduce jobs, it will also will require additional training and skills for workers. However, this often transfers work into new jobs in other areas to compliment the new technology.

**Population Change in 10-year Age Groups by Sex
1990 - 2000 in Fox Valley Workforce Development Area**



Source: WI Dept. of Admin., Demographic Services, 2002

Fox Valley County Labor Force Age Groups



Source: US Dept. of Commerce, Census Bureau, *Census 2000*

The seven counties in the Fox Valley Area WDA had 332,900 workers in its labor force in 2001. This was an increase of 2.4 percent from 2000 or 7,700. In an ideal world growth in the labor force will generally match the number of new jobs created each year. During the late 1990's the growth of the labor force was less than job creation in the State of Wisconsin as well as in the Fox Valley WDA, causing record or near record low unemployment rates as the area dealt with labor shortages in much of its area. The impact of the labor shortage affected future economic development in some areas as employers pondered the possibility of not having enough qualified workers for positions.

At that time the percent of the labor force age population that was available for work was 79.4 percent. The labor force aged population includes the population aged 16 and above. Out of the 20.6 percent of the population not in the labor force, there are the retired, not interested in working, those in school, as well as those unable to work. This leaves a very small pool of potential workers to tap. Not only is this a small percentage of available workers, but many may not have the specific skills needed by an employer.

Unfortunately, the job growth rate has decreased dramatically during the last two years lessening the pressure for additional workers in the labor force. However, this trend should begin to change in the next several years as the economy reverses and begins to turn out the need for workers at a faster rate.

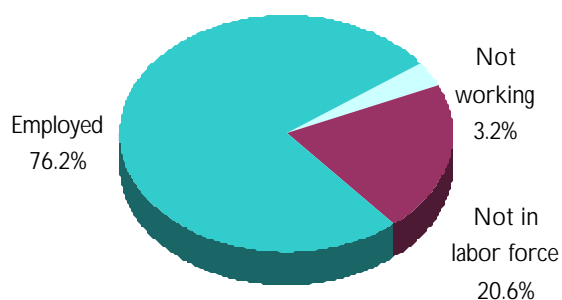
As the economy begins to return, there most likely will be some differences in the make up of the labor market.

As the economy improve, there will probably be some differences in the make up of the labor market. At this time, manufacturing had the largest decline in employment with some counties losing almost ten percent of their manufacturing jobs between 2000 and 2002. Some of these jobs will return as the economy picks up, while others may not, especially where the business has permanently closed. At this time, it is important to project what types of businesses are expected to rehire, expand, or move to the area. Then possibly begin to look at occupational training needs these firms will need in order to prepare dislocated workers to return to work or find new employment as the economy grows.

At the present time, the number of workers in the early years of their careers is comparable to the number of workers nearing the end of their careers. This should provide some continuity in replacing retiring workers during the next decade. This does not include new workers for an expanding labor force in the area, just enough workers for replacement. The changes come when the 35 to 44 year old group retires in the more distant future. It may be quite possible that there will not be enough workers to replace them.

In order to have enough workers to provide for the replacement of retiring workers and to accommodate new businesses moving to the area, and existing businesses to expand here rather than in another area, or relocating, we will need to look at workers moving to the area. This is usually easier for the larger metropolitan areas, which attract workers due to better opportunities. However more rural areas will need to look at how to attract a higher percentage of a young population compared to a population at or near retirement.

Fox Valley 2001 Labor Force Participation



Source: WI DWD, Local Workforce Planning Section, 2002